



ST. ALOYSIUS COLLEGE(AUTONOMOUS), JABALPUR

Reaccredited 'A+' Grade by NAAC(CGPA:3.68/4.00)

College with Potential for Excellence by UGC

DST-FIST Supported & STAR College Scheme by DBT

Faculty of Arts

SUBJECT: ECONOMICS

M.A. III Semester

Paper- I

Public Economics

Course Outcomes

CO. No.	Course Outcomes	Cognitive Level
CO 1	Understand the meaning of public finance or government finance; its nature, subject matter, explain the differences between public finance and private finance and differentiate between the public and private goods.	R and U
CO 2	The course will describe how and in which manner government spends, the causes of increasing public expenditure in the modern economies, explain the varying effects of public expenditure on the economy and role of public expenditure in a developing economy.	U and An
CO 3	Understand the key economic issues in the analysis of public revenue, expenditure, debt and the relationship between public and private provision of different classes of goods and services. They will also learn the basic tools, concepts and models necessary for competence in key topics in Public Economics.	U and E
CO 4	Understand the various sources of government borrowing and the reasons behind the growing public debt, describe how the debt is repaid, the role of public debt in developing countries, explain the concept of debt trap.	U
CO 5	Learn the government budget, explain different types of budgets such as balanced and unbalanced budget, capital and revenue budget, performance budget and zero base budgeting. The students will understand the objectives and components of fiscal policy, describe the role of fiscal policy in a developing economy.	A and E

Credit and Marking Scheme

	Credits	Marks		Total Marks
		Internal	External	
Theory	5	10	40	50
Practical	-	-	-	-
Total	5			



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Evaluation Scheme

	Marks	
	Internal	External
Theory	1 Internal Exams of 10 Marks (During the Semester)	1 External Exams (At the End of Semester)

Content of the Course

No. of Lectures (in hours per week): 4.5 Hrs. per week

Total No. of Lectures: 56.25 Hrs.

Maximum Marks: 40

Units	Topics	No. of Lectures
I	Nature and Scope of Public Economics, Role of Government in Organized Society, Concepts of Public Goods, Private Goods and Merit Goods, Theory of Maximum Social Advantage- Dalton, Pigou and Musgrave.	15
II	Public Expenditure: Wagner's Law of Increasing State Activities, Wiseman - Peacock Hypothesis, Principles of Public Expenditure, Effects of Public Expenditure on Distribution, Employment, Economic Stability & Economic Development, Structure and Growth of Public Expenditure in India.	15
III	Public Revenue: Sources of Public Revenue – Tax and Non Tax Revenue, Theories of Incidence of Taxation- Ability to Pay Theory, Benefit theory and Cost Service Theory, Effects of Taxation on Distribution, Effect on Employment, Effect on Economic Stability, Taxable Capacity, GST in India.	15
IV	Public Debt- Meaning and Sources, Burden of Public Debt, Debt Redemption, and Effects of Public Debt, Public Debt and Inflation, Debt Burden, Debt Management, Public Debt in India.	15
V	Fiscal Federalism in India, Latest Finance Commission, Budget; Meaning and Preparation, Fiscal Policy and its Objectives, Fiscal Deficit and Deficit Financing in India, Concepts of Financial Inclusion.	15



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Suggested Readings:

- Atkinson, A.B. and J.E. Siglitz (1980), Lectures on Public Economics, Tata McGraw Hill, New York.
- Auerbach, A.J. and M. Feldstern (Eds.) (1985), Handbook of Public Economics, Vol. 1. North Holland, Amsterdam.
- Buchanan, J.M. (1970), The Public Finances, Richard D. Irwin, Homewood.
- Houghton, J.M. (1970), The Public Finance : Selected Readings, Penguin, Harmondsworth.
- Jha, R. (1998), Modern Public Economics, Routledge, London.
- Menutt, P. (1996), The Economics of Public Choice, Edward Elgar, U.K.
- Musgrave, R.A. (1959), The Theory of Public Finance, McGraw Hill, Kogakhusa, Tokyo.
- Herber, B.P. (1967), Modern Public Finance, Richard D. Irwin, Homewood.
- Peacock, A. and G.K. Shaw (1976), The Economic Theory of Fiscal Policy, George Allen and Unwin, London.
- Mueller, D.C. (1979), Public Choice, Cambridge University Press, Camb ridge.
- Friedman, A. (1986), Welfare Economics and Social Choice Theory, Martins Nijhoff, Boston.
- Peacock, A. and D.J. Robertson (Eds.) (1963), Public Expenditure : Appraisal and Control, Oliver and Boyd, Edinburgh.
- Mundle, S. (1999), Public Finance Policy : Issues for India, Oxford University Press, New Delhi.
- R.A.Musgrave - Theory of Public Finance
- V.C. Sinha – Public Economics

